



# Midwest Health Plan, Inc.

NAIC Group Code	0000 (Current Period)	0000 (Prior Period)	NAIC Company Code	95814	Employer's ID Number	38-3123777
Organized under the Laws of	Michigan		State of Domicile or Port of Entry	Michigan		
Country of Domicile	United States of America					
Licensed as business type:	Life, Accident & Health[ ] Dental Service Corporation[ ] Other[ ]		Property/Casualty[ ] Vision Service Corporation[ ] Is HMO Federally Qualified? Yes[ ] No[X] N/A[ ]		Hospital, Medical & Dental Service or Indemnity[ ] Health Maintenance Organization[X]	
Incorporated/Organized	01/01/1994		Commenced Business	01/01/1994		
Statutory Home Office	5050 Schaefer Road (Street and Number)		Dearborn, MI 48126 (City, or Town, State and Zip Code)			
Main Administrative Office			5050 Schaefer Road (Street and Number)			
	Dearborn, MI 48126 (City or Town, State and Zip Code)		(313)581-3700 (Area Code) (Telephone Number)			
Mail Address	5050 Schaefer Road (Street and Number or P.O. Box)		Dearborn, MI 48126 (City, or Town, State and Zip Code)			
Primary Location of Books and Records			5050 Schaefer (Street and Number)			
	Dearborn, MI 48126 (City, or Town, State and Zip Code)		(313)581-3700 (Area Code) (Telephone Number)			
Internet Web Site Address	www.midwesthealthplan.com					
Statutory Statement Contact	Allen A. Kessler, CPA (Name)		(313)586-6064 (Area Code)(Telephone Number)(Extension)			
	akessler@midwesthealthplan.com (E-Mail Address)		(313)581-8699 (Fax Number)			

## OFFICERS

<u>Name</u>	<u>Title</u>
Mark Saffer DPM	President
Jack Shapiro MD	Secretary
Robert Rubin DPM	Treasurer

## OTHERS

Mark H. Tucker MD

## DIRECTORS OR TRUSTEES

Mark Saffer DPM  
Rick Poston DO  
John Lindsey

Jack Shapiro MD  
Robert Rubin DPM  
Myra Gamble

State of Michigan  
County of Wayne ss

The officers of this reporting entity, being duly sworn, each depose and say that they are the described officers of the said reporting entity, and that on the reporting period stated above, all of the herein described assets were the absolute property of the said reporting entity, free and clear from any liens or claims thereon, except as herein stated, and that this statement, together with related exhibits, schedules and explanations therein contained, annexed or referred to, is a full and true statement of all the assets and liabilities and of the condition and affairs of the said reporting entity as of the reporting period stated above, and of its income and deductions therefrom for the period ended, and have been completed in accordance with the NAIC Annual Statement Instructions and Accounting Practices and Procedures manual except to the extent that: (1) state law may differ; or, (2) that state rules or regulations require differences in reporting not related to accounting practices and procedures, according to the best of their information, knowledge and belief, respectively. Furthermore, the scope of this attestation by the described officers also includes the related corresponding electronic filing with the NAIC, when required, that is an exact copy (except for formatting differences due to electronic filing) of the enclosed statement. The electronic filing may be requested by various regulators in lieu of or in addition to the enclosed statement.

(Signature)	(Signature)	(Signature)
Mark Saffer	Jack Shapiro	Robert Rubin
(Printed Name)	(Printed Name)	(Printed Name)
1.	2.	3.
President	Secretary	Treasurer
(Title)	(Title)	(Title)

Subscribed and sworn to before me this \_\_\_\_\_ day of \_\_\_\_\_, 2010

a. Is this an original filing? Yes[X] No[ ]

b. If no, 1. State the amendment number \_\_\_\_\_  
2. Date filed \_\_\_\_\_  
3. Number of pages attached \_\_\_\_\_

(Notary Public Signature)

ASSETS

		Current Statement Date			4
		1	2	3	
		Assets	Nonadmitted Assets	Net Admitted Assets (Cols. 1 - 2)	December 31, Prior Year Net Admitted Assets
1.	Bonds .....	1,008,799		1,008,799	1,012,209
2.	Stocks:				
2.1	Preferred stocks .....				
2.2	Common stocks .....				
3.	Mortgage loans on real estate:				
3.1	First liens .....				
3.2	Other than first liens .....				
4.	Real estate:				
4.1	Properties occupied by the company (less \$.....0 encumbrances) .....				
4.2	Properties held for the production of income (less \$.....0 encumbrances) .....				
4.3	Properties held for sale (less \$.....0 encumbrances) .....				
5.	Cash (\$.....28,211,017), cash equivalents (\$.....0) and short-term investments (\$.....48,061,760) .....	76,272,777		76,272,777	68,036,438
6.	Contract loans (including \$.....0 premium notes) .....				
7.	Derivatives .....				
8.	Other invested assets .....				
9.	Receivables for securities .....				
10.	Aggregate write-ins for invested assets .....				
11.	Subtotals, cash and invested assets (Lines 1 to 10) .....	77,281,576		77,281,576	69,048,648
12.	Title plants less \$.....0 charged off (for Title insurers only) .....				
13.	Investment income due and accrued .....	23,334		23,334	6,097
14.	Premiums and considerations:				
14.1	Uncollected premiums and agents' balances in the course of collection .....	1,820,182		1,820,182	2,215,757
14.2	Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$.....0 earned but unbilled premiums) .....				
14.3	Accrued retrospective premiums .....				
15.	Reinsurance:				
15.1	Amounts recoverable from reinsurers .....	250,000		250,000	124,637
15.2	Funds held by or deposited with reinsured companies .....				
15.3	Other amounts receivable under reinsurance contracts .....				
16.	Amounts receivable relating to uninsured plans .....				
17.1	Current federal and foreign income tax recoverable and interest thereon .....				
17.2	Net deferred tax asset .....	409,000	409,000		
18.	Guaranty funds receivable or on deposit .....				
19.	Electronic data processing equipment and software .....	336,400	336,400		
20.	Furniture and equipment, including health care delivery assets (\$.....0) .....	76,971	76,971		
21.	Net adjustments in assets and liabilities due to foreign exchange rates .....				
22.	Receivables from parent, subsidiaries and affiliates .....				
23.	Health care (\$.....378,381) and other amounts receivable .....	378,381		378,381	489,393
24.	Aggregate write-ins for other than invested assets .....				
25.	Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 11 to 24) .....	80,575,844	822,372	79,753,472	71,884,532
26.	From Separate Accounts, Segregated Accounts and Protected Cell Accounts .....				
27.	Total (Lines 25 and 26) .....	80,575,844	822,372	79,753,472	71,884,532
DETAILS OF WRITE-INS					
1001.	.....				
1002.	.....				
1003.	.....				
1098.	Summary of remaining write-ins for Line 10 from overflow page .....				
1099.	TOTALS (Lines 1001 through 1003 plus 1098) (Line 10 above) .....				
2401.	Prepaid Asset .....				
2402.	.....				
2403.	.....				
2498.	Summary of remaining write-ins for Line 24 from overflow page .....				
2499.	TOTALS (Lines 2401 through 2403 plus 2498) (Line 24 above) .....				

**LIABILITIES, CAPITAL AND SURPLUS**

		Current Period			Prior Year
		1 Covered	2 Uncovered	3 Total	4 Total
1.	Claims unpaid (less \$.....0 reinsurance ceded) .....	24,871,530		24,871,530	21,408,857
2.	Accrued medical incentive pool and bonus amounts .....	1,122,629		1,122,629	1,336,508
3.	Unpaid claims adjustment expenses .....	674,694		674,694	655,327
4.	Aggregate health policy reserves .....				
5.	Aggregate life policy reserves .....				
6.	Property/casualty unearned premium reserve .....				
7.	Aggregate health claim reserves .....				
8.	Premiums received in advance .....	2,500,000		2,500,000	
9.	General expenses due or accrued .....	1,693,386		1,693,386	1,739,180
10.1	Current federal and foreign income tax payable and interest thereon (including \$.....0 on realized gains (losses)) .....	956,000		956,000	707,000
10.2	Net deferred tax liability .....				
11.	Ceded reinsurance premiums payable .....				
12.	Amounts withheld or retained for the account of others .....				
13.	Remittances and items not allocated .....				
14.	Borrowed money (including \$.....0 current) and interest thereon \$.....0 (including \$.....0 current) .....				
15.	Amounts due to parent, subsidiaries and affiliates .....	0		0	48,486
16.	Derivatives .....				
17.	Payable for securities .....				
18.	Funds held under reinsurance treaties with (\$.....0 authorized reinsurers and \$.....0 unauthorized reinsurers) .....				
19.	Reinsurance in unauthorized companies .....				
20.	Net adjustments in assets and liabilities due to foreign exchange rates .....				
21.	Liability for amounts held under uninsured plans .....				
22.	Aggregate write-ins for other liabilities (including \$.....0 current) .....				
23.	Total liabilities (Lines 1 to 22) .....	31,818,238		31,818,238	25,895,358
24.	Aggregate write-ins for special surplus funds .....	X X X	X X X		
25.	Common capital stock .....	X X X	X X X	186,230	186,230
26.	Preferred capital stock .....	X X X	X X X		
27.	Gross paid in and contributed surplus .....	X X X	X X X	33,770	33,770
28.	Surplus notes .....	X X X	X X X		
29.	Aggregate write-ins for other than special surplus funds .....	X X X	X X X		
30.	Unassigned funds (surplus) .....	X X X	X X X	47,715,234	45,769,174
31.	Less treasury stock, at cost:				
31.1	.....0 shares common (value included in Line 25 \$.....0) .....	X X X	X X X		
31.2	.....0 shares preferred (value included in Line 26 \$.....0) .....	X X X	X X X		
32.	Total capital and surplus (Lines 24 to 30 minus Line 31) .....	X X X	X X X	47,935,234	45,989,174
33.	Total Liabilities, capital and surplus (Lines 23 and 32) .....	X X X	X X X	79,753,472	71,884,532
DETAILS OF WRITE-INS					
2201.	.....				
2202.	.....				
2203.	.....				
2298.	Summary of remaining write-ins for Line 22 from overflow page .....				
2299.	TOTALS (Lines 2201 through 2203 plus 2298) (Line 22 above) .....				
2401.	.....	X X X	X X X		
2402.	.....	X X X	X X X		
2403.	.....	X X X	X X X		
2498.	Summary of remaining write-ins for Line 24 from overflow page .....	X X X	X X X		
2499.	TOTALS (Lines 2401 through 2403 plus 2498) (Line 24 above) .....	X X X	X X X		
2901.	.....	X X X	X X X		
2902.	.....	X X X	X X X		
2903.	.....	X X X	X X X		
2998.	Summary of remaining write-ins for Line 29 from overflow page .....	X X X	X X X		
2999.	TOTALS (Lines 2901 through 2903 plus 2998) (Line 29 above) .....	X X X	X X X		

STATEMENT OF REVENUE AND EXPENSES

		Current Year To Date		Prior Year To Date	Prior Year Ended December 31
		1 Uncovered	2 Total	3 Total	4 Total
1.	Member Months .....	X X X .....	211,614	196,850	802,338
2.	Net premium income (including \$.....0 non-health premium income) .....	X X X .....	61,154,352	53,097,816	227,019,651
3.	Change in unearned premium reserves and reserves for rate credits .....	X X X .....			
4.	Fee-for-service (net of \$.....0 medical expenses) .....	X X X .....			
5.	Risk revenue .....	X X X .....			
6.	Aggregate write-ins for other health care related revenues .....	X X X .....	(170,573)	(2,978,601)	(3,634,983)
7.	Aggregate write-ins for other non-health revenues .....	X X X .....			
8.	Total revenues (Lines 2 to 7) .....	X X X .....	60,983,779	50,119,215	223,384,669
<b>Hospital and Medical:</b>					
9.	Hospital/medical benefits .....		35,250,274	30,331,558	132,578,368
10.	Other professional services .....		3,090,618	2,485,167	11,399,859
11.	Outside referrals .....		533,050	395,546	1,680,093
12.	Emergency room and out-of-area .....		3,734,788	3,325,349	13,856,256
13.	Prescription drugs .....		6,698,172	5,611,319	24,360,875
14.	Aggregate write-ins for other hospital and medical .....				
15.	Incentive pool, withhold adjustments and bonus amounts .....		676,186	753,501	2,827,416
16.	Subtotal (Lines 9 to 15) .....		49,983,086	42,902,440	186,702,867
<b>Less:</b>					
17.	Net reinsurance recoveries .....				212,090
18.	Total hospital and medical (Lines 16 minus 17) .....		49,983,086	42,902,440	186,490,777
19.	Non-health claims (net) .....				
20.	Claims adjustment expenses, including \$.....0 cost containment expenses .....		1,149,751	1,244,487	2,827,028
21.	General administrative expenses .....		6,867,215	3,335,063	23,223,159
22.	Increase in reserves for life and accident and health contracts (including \$.....0 increase in reserves for life only) .....				
23.	Total underwriting deductions (Lines 18 through 22) .....		58,000,052	47,481,989	212,540,965
24.	Net underwriting gain or (loss) (Lines 8 minus 23) .....	X X X .....	2,983,727	2,637,226	10,843,704
25.	Net investment income earned .....		11,442	89,007	116,693
26.	Net realized capital gains (losses) less capital gains tax of \$.....0 .....				
27.	Net investment gains or (losses) (Lines 25 plus 26) .....		11,442	89,007	116,693
28.	Net gain or (loss) from agents' or premium balances charged off [(amount recovered \$.....0) (amount charged off \$.....0)] .....				
29.	Aggregate write-ins for other income or expenses .....				
30.	Net income or (loss) after capital gains tax and before all other federal income taxes (Lines 24 plus 27 plus 28 plus 29) .....	X X X .....	2,995,169	2,726,233	10,960,397
31.	Federal and foreign income taxes incurred .....	X X X .....	1,049,000	955,000	3,900,000
32.	Net income (loss) (Lines 30 minus 31) .....	X X X .....	1,946,169	1,771,233	7,060,397
<b>DETAILS OF WRITE-INS</b>					
0601.	Revenue - Other .....	X X X .....	49,829	43,980	205,116
0602.	MDCH QA Assessment Fee .....	X X X .....		(2,833,698)	(3,022,525)
0603.	Child & Adolescent Health Center Fee .....	X X X .....	(280,402)	(248,883)	(1,057,574)
0698.	Summary of remaining write-ins for Line 6 from overflow page .....	X X X .....	60,000	60,000	240,000
0699.	TOTALS (Lines 0601 through 0603 plus 0698) (Line 6 above) .....	X X X .....	(170,573)	(2,978,601)	(3,634,983)
0701.	.....	X X X .....			
0702.	.....	X X X .....			
0703.	.....	X X X .....			
0798.	Summary of remaining write-ins for Line 7 from overflow page .....	X X X .....			
0799.	TOTALS (Lines 0701 through 0703 plus 0798) (Line 7 above) .....	X X X .....			
1401.	.....				
1402.	Unpaid Claims Adjustment Expense .....				
1403.	.....				
1498.	Summary of remaining write-ins for Line 14 from overflow page .....				
1499.	TOTALS (Lines 1401 through 1403 plus 1498) (Line 14 above) .....				
2901.	.....				
2902.	Extraordinary Item - Claim Settlement .....				
2903.	.....				
2998.	Summary of remaining write-ins for Line 29 from overflow page .....				
2999.	TOTALS (Lines 2901 through 2903 plus 2998) (Line 29 above) .....				

STATEMENT OF REVENUE AND EXPENSES (Continued)

		1	2	3
		Current Year To Date	Prior Year To Date	Prior Year Ended December 31
CAPITAL & SURPLUS ACCOUNT				
33.	Capital and surplus prior reporting year .....	45,989,174	38,802,677	38,802,677
34.	Net income or (loss) from Line 32 .....	1,946,169	1,771,233	7,060,397
35.	Change in valuation basis of aggregate policy and claim reserves .....			
36.	Change in net unrealized capital gains (losses) less capital gains tax of \$.....0 .....			
37.	Change in net unrealized foreign exchange capital gain or (loss) .....			
38.	Change in net deferred income tax .....			
39.	Change in nonadmitted assets .....	(109)	(30,082)	126,100
40.	Change in unauthorized reinsurance .....			
41.	Change in treasury stock .....			
42.	Change in surplus notes .....			
43.	Cumulative effect of changes in accounting principles .....			
44.	Capital Changes:			
44.1	Paid in .....			
44.2	Transferred from surplus (Stock Dividend) .....			
44.3	Transferred to surplus .....			
45.	Surplus adjustments:			
45.1	Paid in .....			
45.2	Transferred to capital (Stock Dividend) .....			
45.3	Transferred from capital .....			
46.	Dividends to stockholders .....			
47.	Aggregate write-ins for gains or (losses) in surplus .....			
48.	Net change in capital and surplus (Lines 34 to 47) .....	1,946,060	1,741,151	7,186,497
49.	Capital and surplus end of reporting period (Line 33 plus 48) .....	47,935,234	40,543,828	45,989,174
DETAILS OF WRITE-INS				
4701.	.....	.....	.....	.....
4702.	.....	.....	.....	.....
4703.	.....	.....	.....	.....
4798.	Summary of remaining write-ins for Line 47 from overflow page .....	.....	.....	.....
4799.	TOTALS (Lines 4701 through 4703 plus 4798) (Line 47 above) .....	.....	.....	.....

CASH FLOW

		1 Current Year To Date	2 Prior Year To Date	3 Prior Year Ended December 31
Cash from Operations				
1.	Premiums collected net of reinsurance .....	64,049,928	53,097,816	224,803,894
2.	Net investment income .....	(2,384)	227,719	286,187
3.	Miscellaneous income .....	(170,573)	(2,978,601)	(3,634,983)
4.	Total (Lines 1 to 3) .....	63,876,970	50,346,934	221,455,099
5.	Benefit and loss related payments .....	46,859,656	41,588,164	184,593,194
6.	Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts .....			
7.	Commissions, expenses paid and aggregate write-ins for deductions .....	8,003,594	4,480,390	25,661,051
8.	Dividends paid to policyholders .....			
9.	Federal and foreign income taxes paid (recovered) net of \$.....0 tax on capital gains (losses) .....	800,000		3,050,000
10.	Total (Lines 5 through 9) .....	55,663,249	46,068,554	213,304,245
11.	Net cash from operations (Line 4 minus Line 10) .....	8,213,721	4,278,381	8,150,854
Cash from Investments				
12.	Proceeds from investments sold, matured or repaid:			
12.1	Bonds .....			1,010,000
12.2	Stocks .....			
12.3	Mortgage loans .....			
12.4	Real estate .....			
12.5	Other invested assets .....			
12.6	Net gains or (losses) on cash, cash equivalents and short-term investments .....			
12.7	Miscellaneous proceeds .....			
12.8	Total investment proceeds (Lines 12.1 to 12.7) .....			1,010,000
13.	Cost of investments acquired (long-term only):			
13.1	Bonds .....			1,014,483
13.2	Stocks .....			
13.3	Mortgage loans .....			
13.4	Real estate .....			
13.5	Other invested assets .....			
13.6	Miscellaneous applications .....			
13.7	Total investments acquired (Lines 13.1 to 13.6) .....			1,014,483
14.	Net increase (or decrease) in contract loans and premium notes .....			
15.	Net cash from investments (Line 12.8 minus Lines 13.7 and 14) .....			(4,483)
Cash from Financing and Miscellaneous Sources				
16.	Cash provided (applied):			
16.1	Surplus notes, capital notes .....			
16.2	Capital and paid in surplus, less treasury stock .....			
16.3	Borrowed funds .....			
16.4	Net deposits on deposit-type contracts and other insurance liabilities .....			
16.5	Dividends to stockholders .....			
16.6	Other cash provided (applied) .....	22,617	402,256	(772,336)
17.	Net cash from financing and miscellaneous sources (Lines 16.1 through 16.4 minus Line 16.5 plus Line 16.6) .....	22,617	402,256	(772,336)
RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS				
18.	Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and 17) .....	8,236,338	4,680,637	7,374,034
19.	Cash, cash equivalents and short-term investments:			
19.1	Beginning of year .....	68,036,438	60,662,404	60,662,404
19.2	End of period (Line 18 plus Line 19.1) .....	76,272,777	65,343,041	68,036,438
Note: Supplemental Disclosures of Cash Flow Information for Non-Cash Transactions:				
20.0001				

**EXHIBIT OF PREMIUMS, ENROLLMENT AND UTILIZATION**

	1  Total	Comprehensive (Hospital & Medical)		4  Medicare Supplement	5  Vision Only	6  Dental Only	7  Federal Employees Health Benefit Plan	8  Title XVIII Medicare	9  Title XIX Medicaid	10  Other
		2  Individual	3  Group							
Total Members at end of:										
1. Prior Year .....	69,642							371	69,271	
2. First Quarter .....	70,738							391	70,347	
3. Second Quarter .....										
4. Third Quarter .....										
5. Current Year .....										
6. Current Year Member Months .....	211,614							1,147	210,467	
Total Member Ambulatory Encounters for Period:										
7. Physician .....	88,686							882	87,804	
8. Non-Physician .....	54,528							582	53,946	
9. Total .....	143,214							1,464	141,750	
10. Hospital Patient Days Incurred .....	6,452							186	6,266	
11. Number of Inpatient Admissions .....	1,854							28	1,826	
12. Health Premiums Written (a) .....	61,154,352							1,382,080	59,772,272	
13. Life Premiums Direct .....										
14. Property/Casualty Premiums Written .....										
15. Health Premiums Earned .....	61,154,352							1,382,080	59,772,272	
16. Property/Casualty Premiums Earned .....										
17. Amount Paid for Provision of Health Care Services .....	46,734,293							808,251	45,926,041	
18. Amount Incurred for Provision of Health Care Services .....	49,983,086							993,063	48,990,023	

(a) For health premiums written: amount of Medicare Title XVIII exempt from state taxes or fees \$.....1,382,080.

**CLAIMS UNPAID AND INCENTIVE POOL, WITHHOLD AND BONUS (Reported and Unreported)**

Aging Analysis of Unpaid Claims						
1 Account	2 1 - 30 Days	3 31 - 60 Days	4 61 - 90 Days	5 91 - 120 days	6 Over 120 Days	7 Total
Individually Listed Claims Unpaid						
PBM, HRA, GME & SNAF .....	10,369,205					10,369,205
0199999 Individually Listed Claims Unpaid .....	10,369,205					10,369,205
0299999 Aggregate Accounts Not Individually Listed - Uncovered .....						
0399999 Aggregate Accounts Not Individually Listed - Covered .....						
0499999 Subtotals .....	10,369,205					10,369,205
0599999 Unreported claims and other claim reserves .....						14,502,325
0699999 Total Amounts Withheld .....						
0799999 Total Claims Unpaid .....						24,871,530
0899999 Accrued Medical Incentive Pool And Bonus Amounts .....						1,122,629



**UNDERWRITING AND INVESTMENT EXHIBIT**

**ANALYSIS OF CLAIMS UNPAID-PRIOR YEAR-NET OF REINSURANCE**

Line of Business		Claims Paid Year to Date		Liability End of Current Quarter		5  Claims Incurred in Prior Years (Columns 1+3)	6  Estimated Claim Reserve and Claim Liability Dec.31 of Prior Year
		1	2	3	4		
		On Claims Incurred Prior to January 1 of Current Year	On Claims Incurred During the Year	On Claims Unpaid Dec.31 of Prior Year	On Claims Incurred During the Year		
1.	Comprehensive (hospital & medical) .....	.....	.....	.....	.....	.....	.....
2.	Medicare Supplement .....	.....	.....	.....	.....	.....	.....
3.	Dental only .....	.....	.....	.....	.....	.....	.....
4.	Vision only .....	.....	.....	.....	.....	.....	.....
5.	Federal Employees Health Benefits Plan .....	.....	.....	.....	.....	.....	.....
6.	Title XVIII - Medicare .....	290,760	517,491	296,604	525,572	587,364	637,364
7.	Title XIX - Medicaid .....	14,215,119	31,199,239	3,539,762	20,509,593	17,754,881	20,771,494
8.	Other health .....	.....	.....	.....	.....	.....	.....
9.	Health subtotal (Lines 1 to 8) .....	14,505,879	31,716,730	3,836,366	21,035,164	18,342,245	21,408,857
10.	Healthcare receivables (a) .....	.....	378,381	.....	.....	.....	.....
11.	Other non-health .....	.....	.....	.....	.....	.....	.....
12.	Medical incentive pools and bonus amounts .....	707,599	182,466	50,000	1,072,629	757,599	1,336,508
13.	Totals .....	15,213,478	31,520,815	3,886,366	22,107,793	19,099,844	22,745,365

(a) Excludes \$......0 loans or advances to providers not yet expensed.

# Notes to Financial Statement

**1. Summary of Significant Accounting Policies**

**A. Accounting Practices**

The financial statements have been prepared in accordance with the NAIC Accounting Practices and Procedures Manual and the basis of accounting practices generally prescribed or permitted by the State of Michigan Division of Insurance (statutory basis). Financial statements prepared on the statutory basis vary in some respects from those prepared in accordance with accounting principles generally accepted in the United States of America.

The significant accounting principles, as outlined above, were followed in the preparation of the statutory basis financial statements. Had the financial statements been prepared in accordance with the accounting principles generally accepted in the United States of America, the following differences would have been noted:

- Electronic data processing equipment & software and Furnitures and fixtures would be capitalized at cost and depreciated over the estimated useful lives of the assets.
- Deferred income taxes would be provided for temporary differences between taxes currently payable and taxes based upon financial income.

**B. Use of Estimates**

The preparation of financial statements in conformity with Statutory Accounting Principles requires management to make estimates and assumptions that affect the reported amounts of (1) assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements, and (2) revenues and expenses during the reporting period. A significant item subject to such estimates includes the accrual for hospitalization and other external providers. Actual results could differ from those estimates.

**C. Accounting Policy**

No Change

**2. Accounting Change and Correction of Errors**

None.

**3. Business Combination and Goodwill**

None

**4. Discontinued Operations**

None.

**5. Investments**

No Change

**6. Joint Ventures, Partnerships and Limited Liability Companies**

None.

**7. Investment Income**

For the three months ended March 31, 2010 investment income was from the following sources:

Cash, Cash Equivalents and Short-Term Investments	\$11,103
Long-term bond – U.S. Treasury Note	<u>339</u>
<b>Totals</b>	<b>\$ 11,442</b>

**8. Derivative Instruments**

None.

**9. Income Taxes**

No Change in the Non-Admitted Deferred Tax Asset.  
\$1,049,000 is the estimated Federal Income Tax for the three months ended March 31, 2010.

**10. Information Concerning Parent, Subsidiaries and Affiliates**

Under a primary site/plan agreement with Rick Poston, DO PC, the Plan is responsible for making payments for provider services based on enrolled members. For the years ended December 31, 2009 and 2008 total expense for provider services to this affiliate was \$296,911 and \$266,545 respectively.

The Plan has an operating lease agreement with SPS Woodbridge, LLC. The net rent expense with affiliates was \$553,486 and \$526,380 for the years December 31, 2009 and 2008, respectively. Effective January 1, 2009, the Plan's lease with SPS Woodbridge, LLC was amended for reduced premises and the term extended until December 31, 2013.

# Notes to Financial Statement

The Plan has an Affiliate Services Agreement with Midwest Health AKM, Inc. For the years ended December 31, 2009 and 2008 respectively the Plan recognized: Other revenue of \$240,000 and \$500,000, allocated expenses of \$180,000 and \$210,000 that results in a \$60,000 and \$290,000 profit for the year.

**11. Debt**

None

**12. Employee Benefit Plan**

No Change

**13. Capital and Surplus, Shareholders' Dividend Restrictions and Quasi-Reorganizations**

No Change

**14. Commitments and Contingencies**

The Plan has a commitment to lease its primary office space from a non-related party, upon the completion of the building. The building is expected to be completed and ready for occupancy in late 2010. The lease will commence on the Substantial Completion Date, for which the requirements have not occurred as of March 31, 2010. The annual rental expense is expected to be less than current amount (\$840,000) incurred for primary office space.

**15. Leases**

No Change

**16. Information About Financial Instruments with Off-Balance Sheet Risk and Financial Instruments with Concentrations of Credit Risk.**

None.

**17. Sales, Transfer and Servicing of Financial Assets and Extinguishment of Liabilities**

None.

**18. Gain or Loss to the Reporting Entity from Uninsured A&H Plans and the Uninsured Portion of Partially Insured Plans.**

No Change

**19. Direct Premium Written/Produced by Managing General Third Agents/Third Party Administrators**

None.

**20. Other Items**

The State of Michigan, Managed Care Plan Division informed the Plan (and all other Medicaid HMO plans) that several issues had been identified (e.g. capitation rates are not accurate) which impact the fiscal year 2010 Medicaid Health Plan rates. The State is having on-going discussions but has not provided the financial impact to each plan nor provided the timing of the adjustment, although it will be prospectively accounted for in 2010. Based on the information provided to the Plan, we have estimated that the Plan has received approximately \$2,500,000 of premiums received in advance, which has been recorded in our statements as of March 31, 2010.

**21. Events Subsequent**

None.

**22. Reinsurance**

No Change

**23. Retrospectively Rated Contracts and Contracts Subject to Redetermination.**

None.

**24. Change in Incurred Claims and Claims Adjustment Expenses**

A certified actuary has opined upon the estimated reserve for claims incurred but not reported as of December 31, 2009. Although management believes that the provision for unpaid claims is adequate, it is not known until the ultimate settlement of these liabilities. There has been no change in the Plan's methodology for determining the reserves and original estimates are increased or decreased as additional information becomes known regarding individual claims, thus any future adjustments to these amounts will affect the reported results of future periods. In addition, the Plan recognized claim adjustment expenses based on an actuarial determined amount, as specified by SSAP No. 55, Unpaid Claims, Losses and Loss Adjustment Expenses which was adopted by the State of Michigan Division of Insurance for implementation beginning with the year ended December 31, 2002 reporting requirements.

**25. Intercompany Pooling Arrangements**

None

**26. Structured Settlements**

None

**Notes to Financial Statement**

**27. Health Care Receivables - Admitted**

No Change in methodology

**28. Participating Policies**

None

**29. Premium Deficiency Reserves**

None

**30. Anticipated Salvage and Subrogation**

None

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES  
GENERAL

- 1.1 Did the reporting entity experience any material transactions requiring the filing of Disclosure of Material Transactions with the State of Domicile, as required by the Model Act?

Yes[ ] No[X]
- 1.2 If yes, has the report been filed with the domiciliary state?

Yes[ ] No[ ] N/A[X]
- 2.1 Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity?

Yes[ ] No[X]
- 2.2 If yes, date of change:

.....
3. Have there been any substantial changes in the organizational chart since the prior quarter end?  
If yes, complete the Schedule Y - Part 1 - organizational chart.

Yes[ ] No[X]
- 4.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement?

Yes[ ] No[X]
- 4.2 If yes, provide the name of entity, NAIC Company Code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.

1 Name of Entity	2 NAIC Company Code	3 State of Domicile
.....	.....	.....

5. If the reporting entity is subject to a management agreement, including third-party administrator(s), managing general agent(s), attorney-in-fact, or similar agreement, have there been any significant changes regarding the terms of the agreement or principals involved?  
If yes, attach an explanation.

Yes[ ] No[ ] N/A[X]
- 6.1 State as of what date the latest financial examination of the reporting entity was made or is being made.

.....12/31/2007.....
- 6.2 State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released.

.....12/31/2007.....
- 6.3 State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date).

.....10/28/2008.....
- 6.4 By what department or departments?
- 6.5 Have all financial statement adjustments within the latest financial examination report been accounted for in a subsequent financial statement filed with Departments?

Yes[ ] No[ ] N/A[X]
- 6.6 Have all of the recommendations within the latest financial examination report been complied with?

Yes[X] No[ ] N/A[ ]
- 7.1 Has this reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period?

Yes[ ] No[X]
- 7.2 If yes, give full information
- 8.1 Is the company a subsidiary of a bank holding company regulated by the Federal Reserve Board?

Yes[ ] No[X]
- 8.2 If response to 8.1 is yes, please identify the name of the bank holding company.
- 8.3 Is the company affiliated with one or more banks, thrifts or securities firms?

Yes[ ] No[X]
- 8.4 If response to 8.3 is yes, please provide below the names and location (city and state of the main office) of any affiliates regulated by a federal regulatory services agency [i.e. the Federal Reserve Board (FRB), the Office of the Comptroller of the Currency (OCC), the Office of Thrift Supervision (OTS), the Federal Deposit Insurance Corporation (FDIC) and the Securities Exchange Commission (SEC)] and identify the affiliate's primary federal regulator.]

1 Affiliate Name	2 Location (City, State)	3 FRB	4 OCC	5 OTS	6 FDIC	7 SEC
.....	.....	. Yes[ ] No[X]	. Yes[ ] No[X]	. Yes[ ] No[X]	. Yes[ ] No[X]	. Yes[ ] No[X]

- 9.1 Are the senior officers (principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions) of the reporting entity subject to a code of ethics, which includes the following standards?  
(a) Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;  
(b) Full, fair, accurate, timely and understandable disclosure in the periodic reports required to be filed by the reporting entity;  
(c) Compliance with applicable governmental laws, rules and regulations;  
(d) The prompt internal reporting of violations to an appropriate person or persons identified in the code; and  
(e) Accountability for adherence to the code.

Yes[X] No[ ]
- 9.11 If the response to 9.1 is No, please explain:
- 9.2 Has the code of ethics for senior managers been amended?

Yes[ ] No[X]
- 9.21 If the response to 9.2 is Yes, provide information related to amendment(s).
- 9.3 Have any provisions of the code of ethics been waived for any of the specified officers?

Yes[ ] No[X]
- 9.31 If the response to 9.3 is Yes, provide the nature of any waiver(s).

FINANCIAL

- 10.1 Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement?

Yes[ ] No[X]
- 10.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount:

\$.....0

INVESTMENT

- 11.1 Were any of the stocks, bonds, or other assets of the reporting entity loaned, placed under option agreement, or otherwise made available for use by another person? (Exclude securities under securities lending agreements.)

Yes[ ] No[X]
- 11.2 If yes, give full and complete information relating thereto:
12. Amount of real estate and mortgages held in other invested assets in Schedule BA:

\$.....0
13. Amount of real estate and mortgages held in short-term investments:

\$.....0
- 14.1 Does the reporting entity have any investments in parent, subsidiaries and affiliates?

Yes[ ] No[X]
- 14.2 If yes, please complete the following:

**GENERAL INTERROGATORIES (Continued)**

		1	2
		Prior Year-End Book/Adjusted Carrying Value	Current Quarter Book/Adjusted Carrying Value
14.21	Bonds .....		
14.22	Preferred Stock .....		
14.23	Common Stock .....		
14.24	Short-Term Investments .....		
14.25	Mortgages Loans on Real Estate .....		
14.26	All Other .....		
14.27	Total Investment in Parent, Subsidiaries and Affiliates (Subtotal Lines 14.21 to 14.26) .....		
14.28	Total Investment in Parent included in Lines 14.21 to 14.26 above .....		

15.1 Has the reporting entity entered into any hedging transactions reported on Schedule DB?

Yes[ ] No[X]

15.2 If yes, has a comprehensive description of the hedging program been made available to the domiciliary state?

Yes[ ] No[ ] N/A[X]

If no, attach a description with this statement.

16. Excluding items in Schedule E - Part 3 - Special Deposits, real estate, mortgage loans and investments held physically in the reporting entity's offices, vaults or safety deposit boxes, were all stocks, bonds and other securities, owned throughout the current year held pursuant to a custodial agreement with a qualified bank or trust company in accordance with Section 3, III Conducting Examinations, F - Custodial or Safekeeping Agreements of the NAIC Financial Condition Examiners Handbook?

Yes[X] No[ ]

16.1 For all agreements that comply with the requirements of the NAIC Financial Condition Examiners Handbook, complete the following:

1	2
Name of Custodian(s)	Custodian Address
Bank of America, N.A. Wealth Management Group .....	2600 West Big Beaver Road, Troy, MI 48084 .....

16.2 For all agreements that do not comply with the requirements of the NAIC Financial Condition Examiners Handbook, provide the name, location and a complete explanation:

1	2	3
Name(s)	Location(s)	Complete Explanation(s)
.....	.....	.....

16.3 Have there been any changes, including name changes, in the custodian(s) identified in 16.1 during the current quarter?

Yes[ ] No[X]

16.4 If yes, give full and complete information relating thereto:

1	2	3	4
Old Custodian	New Custodian	Date of Change	Reason
.....	.....	.....	.....

16.5 Identify all investment advisors, brokers/dealers or individuals acting on behalf of broker/dealers that have access to the investment accounts, handle securities and have authority to make investments on behalf of the reporting entity:

1	2	3
Central Registration Depository	Name(s)	Address
.....	.....	.....

17.1 Have all the filing requirements of the Purposes and Procedures Manual of the NAIC Securities Valuation Office been followed?

Yes[X] No[ ]

17.2 If no, list exceptions:

**GENERAL INTERROGATORIES**

**PART 2 - HEALTH**

1. Operating Percentages:	
1.1 A&H loss percent	82%
1.2 A&H cost containment percent	0%
1.3 A&H expense percent excluding cost containment expenses	15%
2.1 Do you act as a custodian for health savings accounts?	Yes[ ] No[X]
2.2 If yes, please provide the amount of custodial funds held as of the reporting date.	\$..... 0
2.3 Do you act as an administrator for health savings accounts?	Yes[ ] No[X]
2.4 If yes, please provide the balance of the funds administered as of the reporting date.	\$..... 0

**SCHEDULE S - CEDED REINSURANCE**  
**Showing All New Reinsurance Treaties - Current Year to Date**

1 NAIC Company Code	2 Federal ID Number	3 Effective Date	4 Name of Reinsurer	5 Location	6 Type of Reinsurance Ceded	7 Is Insurer Authorized? (Yes or No)
<b>Accident and Health - Affiliates</b>						
67105 .....	41-0451140 .....	..... 01/01/2010 .....	RELIASTAR LIFE INS CO .....	Minneapolis, MN .....	..... SSL/L/I .....	..... Yes[X] No[ ] .....



**SCHEDULE T - PREMIUMS AND OTHER CONSIDERATIONS**  
**Current Year to Date - Allocated by States and Territories**

		1	Direct Business Only							
			2	3	4	5	6	7	8	9
State, Etc.		Active Status	Accident and Health Premiums	Medicare Title XVIII	Medicaid Title XIX	Federal Employees Health Benefits Program Premiums	Life and Annuity Premiums and Other Considerations	Property/ Casualty Premiums	Total Columns 2 Through 7	Deposit-Type Contracts
1.	Alabama (AL) .....	N								
2.	Alaska (AK) .....	N								
3.	Arizona (AZ) .....	N								
4.	Arkansas (AR) .....	N								
5.	California (CA) .....	N								
6.	Colorado (CO) .....	N								
7.	Connecticut (CT) .....	N								
8.	Delaware (DE) .....	N								
9.	District of Columbia (DC) .....	N								
10.	Florida (FL) .....	N								
11.	Georgia (GA) .....	N								
12.	Hawaii (HI) .....	N								
13.	Idaho (ID) .....	N								
14.	Illinois (IL) .....	N								
15.	Indiana (IN) .....	N								
16.	Iowa (IA) .....	N								
17.	Kansas (KS) .....	N								
18.	Kentucky (KY) .....	N								
19.	Louisiana (LA) .....	N								
20.	Maine (ME) .....	N								
21.	Maryland (MD) .....	N								
22.	Massachusetts (MA) .....	N								
23.	Michigan (MI) .....	L		1,384,959	59,902,762				61,287,721	
24.	Minnesota (MN) .....	N								
25.	Mississippi (MS) .....	N								
26.	Missouri (MO) .....	N								
27.	Montana (MT) .....	N								
28.	Nebraska (NE) .....	N								
29.	Nevada (NV) .....	N								
30.	New Hampshire (NH) .....	N								
31.	New Jersey (NJ) .....	N								
32.	New Mexico (NM) .....	N								
33.	New York (NY) .....	N								
34.	North Carolina (NC) .....	N								
35.	North Dakota (ND) .....	N								
36.	Ohio (OH) .....	N								
37.	Oklahoma (OK) .....	N								
38.	Oregon (OR) .....	N								
39.	Pennsylvania (PA) .....	N								
40.	Rhode Island (RI) .....	N								
41.	South Carolina (SC) .....	N								
42.	South Dakota (SD) .....	N								
43.	Tennessee (TN) .....	N								
44.	Texas (TX) .....	N								
45.	Utah (UT) .....	N								
46.	Vermont (VT) .....	N								
47.	Virginia (VA) .....	N								
48.	Washington (WA) .....	N								
49.	West Virginia (WV) .....	N								
50.	Wisconsin (WI) .....	N								
51.	Wyoming (WY) .....	N								
52.	American Samoa (AS) .....	N								
53.	Guam (GU) .....	N								
54.	Puerto Rico (PR) .....	N								
55.	U.S. Virgin Islands (VI) .....	N								
56.	Northern Mariana Islands (MP) .....	N								
57.	Canada (CN) .....	N								
58.	Aggregate other alien (OT) .....	X X X								
59.	Subtotal .....	X X X		1,384,959	59,902,762				61,287,721	
60.	Reporting entity contributions for Employee Benefit Plans .....	X X X								
61.	Total (Direct Business) .....	(a)..... 1		1,384,959	59,902,762				61,287,721	
DETAILS OF WRITE-INS										
5801.	.....	X X X								
5802.	.....	X X X								
5803.	.....	X X X								
5898.	Summary of remaining write-ins for Line 58 from overflow page .....	X X X								
5899.	TOTALS (Lines 5801 through 5803 plus 5898) (Line 58 above) .....	X X X								

(L) Licensed or Chartered - Licensed Insurance Carrier or Domiciled RRG; (R) Registered - Non-domiciled RRGs; (Q) Qualified - Qualified or Accredited Reinsurer; (E) Eligible - Reporting Entities eligible or approved to write Surplus Lines in the state; (N) None of the above - Not allowed to write business in the state.

(a) Insert the number of L responses except for Canada and Other Alien.

**SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER**  
**MEMBERS OF A HOLDING COMPANY GROUP**  
**PART 1 - ORGANIZATIONAL CHART**

Q15

N O N E

# SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES

The following supplemental reports are required to be filed as part of your statement filing. However, in the event that your company does not transact the type of business for which the special report must be filed, your response of NO to the specific interrogatory will be accepted in lieu of filing a "NONE" report and a bar code will be printed below. If the supplement is required of your company but is not being filed for whatever reason enter SEE EXPLANATION and provide an explanation following the interrogatory questions.

1. Will the Medicare Part D Coverage Supplement be filed with the state of domicile and the NAIC with this statement?

RESPONSE
No

Explanations:

Bar Codes:

Medicare Part D Coverage Supplement



95814201036500001

2010

Document Code: 365

OVERFLOW PAGE FOR WRITE-INS

STATEMENT OF REVENUE AND EXPENSES

		Current Year To Date		Prior Year To Date	Prior Year Ended December 31
		1	2	3	4
		Uncovered	Total	Total	Total
0604.	Management Fee Income - Related Party .....	X X X .....	60,000	60,000	240,000
0605.	.....	X X X .....			
0697.	Summary of remaining write-ins for Line 6 (Lines 0604 through 0696) .....	X X X .....	60,000	60,000	240,000

STATEMENT AS OF **March 31, 2010** OF THE **Midwest Health Plan, Inc.**

SCHEDULE A - VERIFICATION

Real Estate		
	1	2
	Year To Date	Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year .....		
2. Cost of acquired .....		
2.1 Actual cost at time of acquisition .....		
2.2 Additional investment made after acquisition .....		
3. Current year change in encumbrances .....		
4. Total gain (loss) on disposals .....		
5. Deduct amounts received on disposals .....		
6. Total foreign exchange change in book/adjusted carrying value .....		
7. Deduct current year's other than temporary impairment recognized .....		
8. Deduct current year's depreciation .....		
9. Book/adjusted carrying value at the end of current period (Lines 1 + 2 + 3 + 4 - 5 + 6 - 7 - 8 ) .....		
10. Deduct total nonadmitted amounts .....		
11. Statement value at end of current period (Line 9 minus Line 10) .....		

SCHEDULE B - VERIFICATION

Mortgage Loans

	1	2
	Year To Date	Prior Year Ended December 31
1. Book value/recorded investment excluding accrued interest, December 31 of prior year .....		
2. Cost of acquired: .....		
2.1 Actual cost at time of acquisition .....		
2.2 Additional investment made after acquisition .....		
3. Capitalized deferred interest and other .....		
4. Accrual of discount .....		
5. Unrealized valuation increase (decrease) .....		
6. Total gain (loss) on disposals .....		
7. Deduct amounts received on disposals .....		
8. Deduct amortization of premium and mortgage interest points .....		
9. Total foreign exchange change in book value/recorded investment .....		
10. Deduct current year's other than temporary impairment recognized .....		
11. Book value/recorded investment excluding accrued interest at end of current period (Lines 1 + 2 + 3 + 4 + 5 + 6 - 7 - 8 + 9 - 10) .....		
12. Total valuation allowance .....		
13. Subtotal (Line 11 plus Line 12) .....		
14. Deduct total nonadmitted amounts .....		
15. Statement value at end of current period (Line 13 minus Line 14) .....		

SCHEDULE BA - VERIFICATION

Other Long-Term Invested Assets

	1	2
	Year To Date	Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year .....		
2. Cost of acquired: .....		
2.1 Actual cost at time of acquisition .....		
2.2 Additional investment made after acquisition .....		
3. Capitalized deferred interest and other .....		
4. Accrual of discount .....		
5. Unrealized valuation increase (decrease) .....		
6. Total gain (loss) on disposals .....		
7. Deduct amounts received on disposals .....		
8. Deduct amortization of premium and depreciation .....		
9. Total foreign exchange change in book/adjusted carrying value .....		
10. Deduct current year's other than temporary impairment recognized .....		
11. Book/adjusted carrying value at end of current period (Lines 1 + 2 + 3 + 4 + 5 + 6 - 7 - 8 + 9 - 10) .....		
12. Deduct total nonadmitted amounts .....		
13. Statement value at end of current period (Line 11 minus Line 12) .....		

SCHEDULE D - VERIFICATION

Bonds and Stocks

	1	2
	Year To Date	Prior Year Ended December 31
1. Book/adjusted carrying value of bonds and stocks, December 31 of prior year .....	1,012,209	1,031,064
2. Cost of bonds and stocks acquired .....		1,014,483
3. Accrual of discount .....		
4. Unrealized valuation increase (decrease) .....		
5. Total gain (loss) on disposals .....		
6. Deduct consideration for bonds and stocks disposed of .....		1,010,000
7. Deduct amortization of premium .....	3,410	23,338
8. Total foreign exchange change in book/adjusted carrying value .....		
9. Deduct current year's other than temporary impairment recognized .....		
10. Book/adjusted carrying value at end of current period (Lines 1 + 2 + 3 + 4 + 5 - 6 - 7 + 8 - 9) .....	1,008,799	1,012,209
11. Deduct total nonadmitted amounts .....		
12. Statement value at end of current period (Line 10 minus Line 11) .....	1,008,799	1,012,209

**SCHEDULE D - PART 1B**  
**Showing the Acquisitions, Dispositions and Non-Trading Activity**  
**During the Current Quarter for all Bonds and Preferred Stock by Rating Class**

	1 Book/Adjusted Carrying Value Beginning of Current Quarter	2 Acquisitions During Current Quarter	3 Dispositions During Current Quarter	4 Non-Trading Activity During Current Quarter	5 Book/Adjusted Carrying Value End of First Quarter	6 Book/Adjusted Carrying Value End of Second Quarter	7 Book/Adjusted Carrying Value End of Third Quarter	8 Book/Adjusted Carrying Value December 31 Prior Year
<b>BONDS</b>								
1. Class 1 (a) .....	44,078,893	4,996,738	1,662	(3,410)	49,070,559			44,078,893
2. Class 2 (a) .....								
3. Class 3 (a) .....								
4. Class 4 (a) .....								
5. Class 5 (a) .....								
6. Class 6 (a) .....								
7. Total Bonds .....	44,078,893	4,996,738	1,662	(3,410)	49,070,559			44,078,893
<b>PREFERRED STOCK</b>								
8. Class 1 .....								
9. Class 2 .....								
10. Class 3 .....								
11. Class 4 .....								
12. Class 5 .....								
13. Class 6 .....								
14. Total Preferred Stock .....								
15. Total Bonds & Preferred Stock .....	44,078,893	4,996,738	1,662	(3,410)	49,070,559			44,078,893

Book/Adjusted Carrying Value column for the end of the current reporting period includes the following amount of non-rated short-term and cash equivalent bonds by NAIC designation: NAIC 1 \$.....0; NAIC 2 \$.....0; NAIC 3 \$.....0; NAIC 4 \$.....0; NAIC 5 \$.....0; NAIC 6 \$.....0

**SCHEDULE DA - PART 1**

**Short - Term Investments**

	1 Book/Adjusted Carrying Value	2  Par Value	3  Actual Cost	4  Interest Collected Year To Date	5 Paid for Accrued Interest Year To Date
9199999. Totals .....	48,061,760	X X X	48,061,760	8,558	

**SCHEDULE DA - Verification**

**Short-Term Investments**

		1  Year To Date	2 Prior Year Ended December 31
1.	Book/adjusted carrying value, December 31 of prior year .....	43,066,684	37,727,593
2.	Cost of short-term investments acquired .....	4,996,738	25,007,680
3.	Accrual of discount .....		
4.	Unrealized valuation increase (decrease) .....		
5.	Total gain (loss) on disposals .....		
6.	Deduct consideration received on disposals .....	1,662	19,668,589
7.	Deduct amortization of premium .....		
8.	Total foreign exchange change in book/adjusted carrying value .....		
9.	Deduct current year's other than temporary impairment recognized ....		
10.	Book/adjusted carrying value at end of current period (Lines 1 + 2 + 3 + 4 + 5 - 6 - 7 + 8 - 9) .....	48,061,760	43,066,684
11.	Deduct total nonadmitted amounts .....		
12.	Statement value at end of current period (Line 10 minus Line 11) .....	48,061,760	43,066,684

<b>SI04</b>	<b>Schedule DB - Part A Verification .....</b>	<b>NONE</b>
-------------	--	-------------

<b>SI04</b>	<b>Schedule DB - Part B Verification .....</b>	<b>NONE</b>
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<b>SI05</b>	<b>Schedule DB Part C Section 1</b>	<b>NONE</b>
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<b>SI06</b>	<b>Schedule DB Part C Section 2</b>	<b>NONE</b>
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<b>SI07</b>	<b>Schedule DB - Verification .....</b>	<b>NONE</b>
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**SI08 Schedule E - Verification (Cash Equivalents) ..... NONE**

**QSI04, SI05, SI06, SI07, SI08**



E01	Schedule A Part 2 .....	NONE
E01	Schedule A Part 3 .....	NONE
E02	Schedule B Part 2 .....	NONE
E02	Schedule B Part 3 .....	NONE
E03	Schedule BA Part 2 .....	NONE
E03	Schedule BA Part 3 .....	NONE
E04	Schedule D Part 3 .....	NONE
E05	Schedule D Part 4 .....	NONE
E06	Schedule DB Part A Section 1 .....	NONE
E07	Schedule DB Part B Section 1 .....	NONE
E08	Schedule DB Part D .....	NONE

**SCHEDULE E - PART 1 - CASH**

**Month End Depository Balances**

1			2	3	4	5	Book Balance at End of Each Month			9
							During Current Quarter			
Depository			Code	Rate of Interest	Amount of Interest Received During Current Quarter	Amount of Interest Accrued at Current Statement Date	6	7	8	*
							First Month	Second Month	Third Month	
open depositories										
Bank of America, N.A. ....	Checking .....			0.050	2,545	35	27,937,735	26,520,857	27,898,404	X X X
Bank of America, N.A. ....	Payroll Account .....						334,849	457,350	312,613	X X X
0199998 Deposits in .....0 depositories that do not exceed the allowable limit in any one depository (See Instructions) - open depositories .....			X X X	X X X						X X X
0199999 Totals - Open Depositories .....			X X X	X X X	2,545	35	28,272,585	26,978,206	28,211,017	X X X
0299998 Deposits in .....0 depositories that do not exceed the allowable limit in any one depository (See Instructions) - suspended depositories .....										
			X X X	X X X						X X X
0299999 Totals - Suspended Depositories .....			X X X	X X X						X X X
0399999 Total Cash On Deposit .....			X X X	X X X	2,545	35	28,272,585	26,978,206	28,211,017	X X X
0499999 Cash in Company's Office .....			X X X	X X X	X X X	X X X				X X X
0599999 Total Cash .....			X X X	X X X	2,545	35	28,272,585	26,978,206	28,211,017	X X X

**SCHEDULE E - PART 2 - CASH EQUIVALENTS**

Show Investments Owned End of Current Quarter

1	2	3	4	5	6	7	8
Description	Code	Date Acquired	Rate of Interest	Maturity Date	Book/Adjusted Carrying Value	Amount of Interest Due & Accrued	Amount Received During Year
<div>NONE</div>							
8699999 Total - Cash Equivalents .....					.....	.....	.....



**MEDICARE PART D COVERAGE SUPPLEMENT**  
**Net of Reinsurance**  
**For the Quarter Ended March 31, 2010**

NAIC Group Code: 0000

NAIC Company Code: 95814

		Individual Coverage		Group Coverage		5
		1	2	3	4	Total
		Insured	Uninsured	Insured	Uninsured	Cash
1.	Premiums Collected .....		X X X		X X X	
2.	Earned Premiums .....		X X X		X X X	X X X
3.	Claims Paid .....		X X X		X X X	
4.	Claims Incurred .....		X X X		X X X	X X X
5.	Reinsurance Coverage and Low Income Cost Sharing - Claims	NONE				
	Paid Net of Reimbursements Applied (a) .....			X X X		
6.	Aggregate Policy Reserves - change .....				X X X	X X X
7.	Expenses Paid .....				X X X	
8.	Expenses Incurred .....		X X X		X X X	X X X
9.	Underwriting Gain or Loss .....		X X X		X X X	X X X
10.	Cash Flow Results .....	X X X	X X X	X X X	X X X	

(a) Uninsured Receivable/Payable with CMS at End of Quarter: \$.....0 due from CMS or \$.....0 due to CMS

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